COSCO SHIPPING Ports Limited
中遠海運港口有限公司

The Ports for ALL

1Q2023 Results Presentation

Expanding Global Presence and Implementing Lean Operations

Accelerating High-Quality Development by Increasing Efficiency

April 2023

AGENDA

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1. Key Highlights

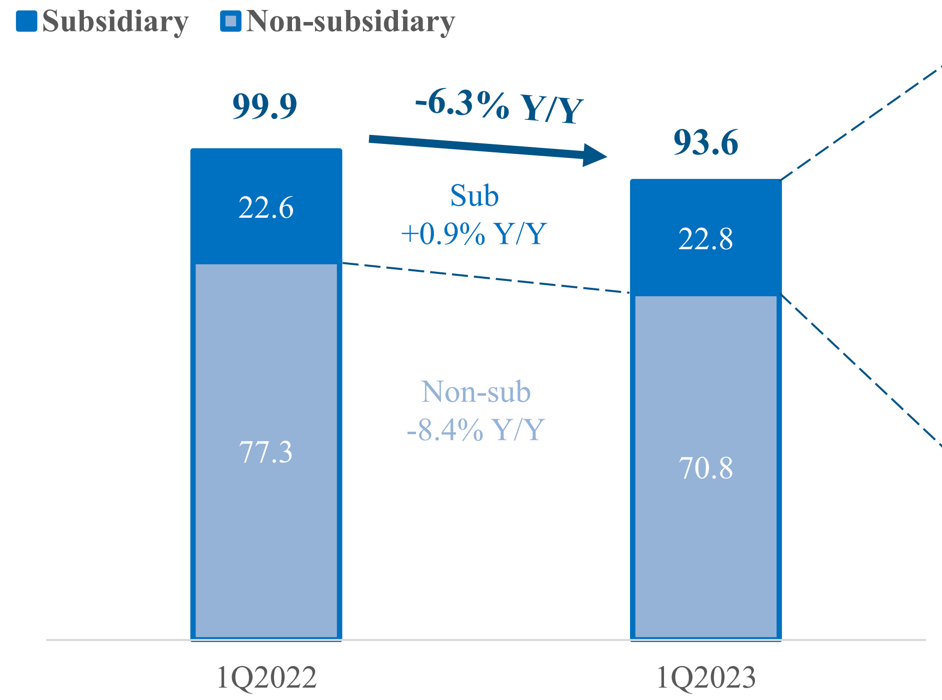
The Ports for ALL

1Q2023 Subsidiary Terminals' Profitability

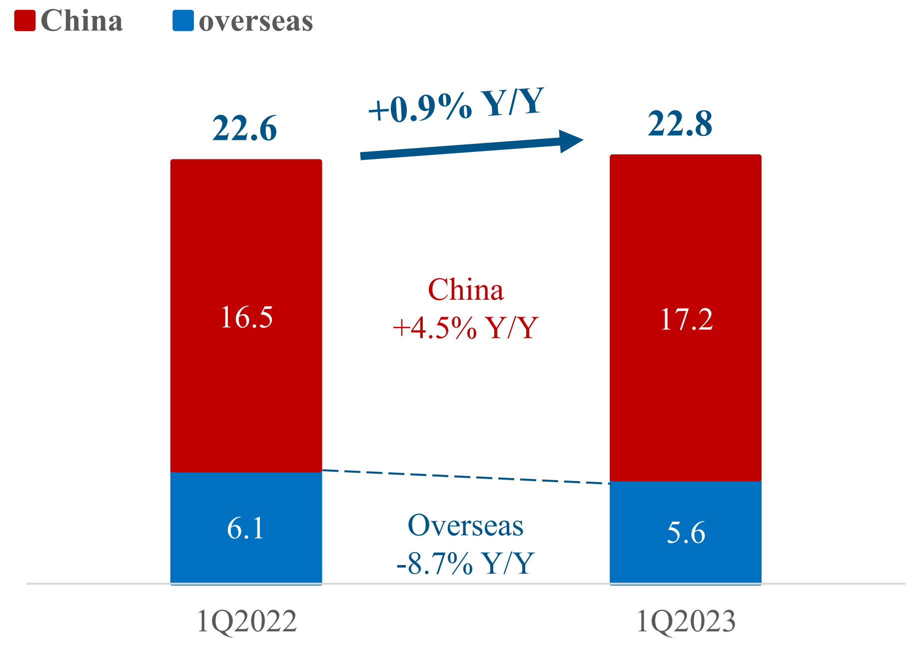
Subsidiary Terminals' Profit Outperformed in Our Portfolio

- In 1Q2023, subsidiary terminals' profit increased 0.9% YoY to USD 22.8M. ASP increase helped offset throughput decline
- Total terminal profit in 1Q2023 contracted 6.3% YoY mainly due to lower throughput amid weakening global economy. However, we expect trading activities will gradually recover, that would help throughput rebound for the rest of the year

1Q2023 Total terminal profit (US$ Million)



1Q2023 Subsidiary terminals' profit (US$ Million)



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2. Financial Performance

1Q2023 Financial Highlights

ASP Increase and Margin Expansion

- In 1Q2023, ASP increase (1) helped offset throughput decline at subsidiary terminals
- Lean operation strategy drives a growth of 11.2% YoY in gross profit and an increase of 2.9 pps in GP margin to 27.4%
- Mainly affected by a decrease of 16.4% YoY in share of profits from JV and associates, profit attributable to equity holders dropped by 17.9% YoY

(US$ Million, unless stated otherwise)	1Q2022	1Q2023	Y/Y
Total throughput from subsidiaries (M TEU)	7.49	**6.65**	**-11.1%**
Revenue	329.7	**328.0**	**-0.5%**
Cost	(248.8)	**(238.1)**	**-4.3%**
Gross profit	80.9	**89.9**	**+11.2%**
Gross profit margin	24.5%	**27.4%**	**+2.9pps**
Share of profits less losses of JV and Associates	82.5	**69.0**	**-16.4%**
Profit attributable to equity holders	76.1[2]	**62.5**	**-17.9%**

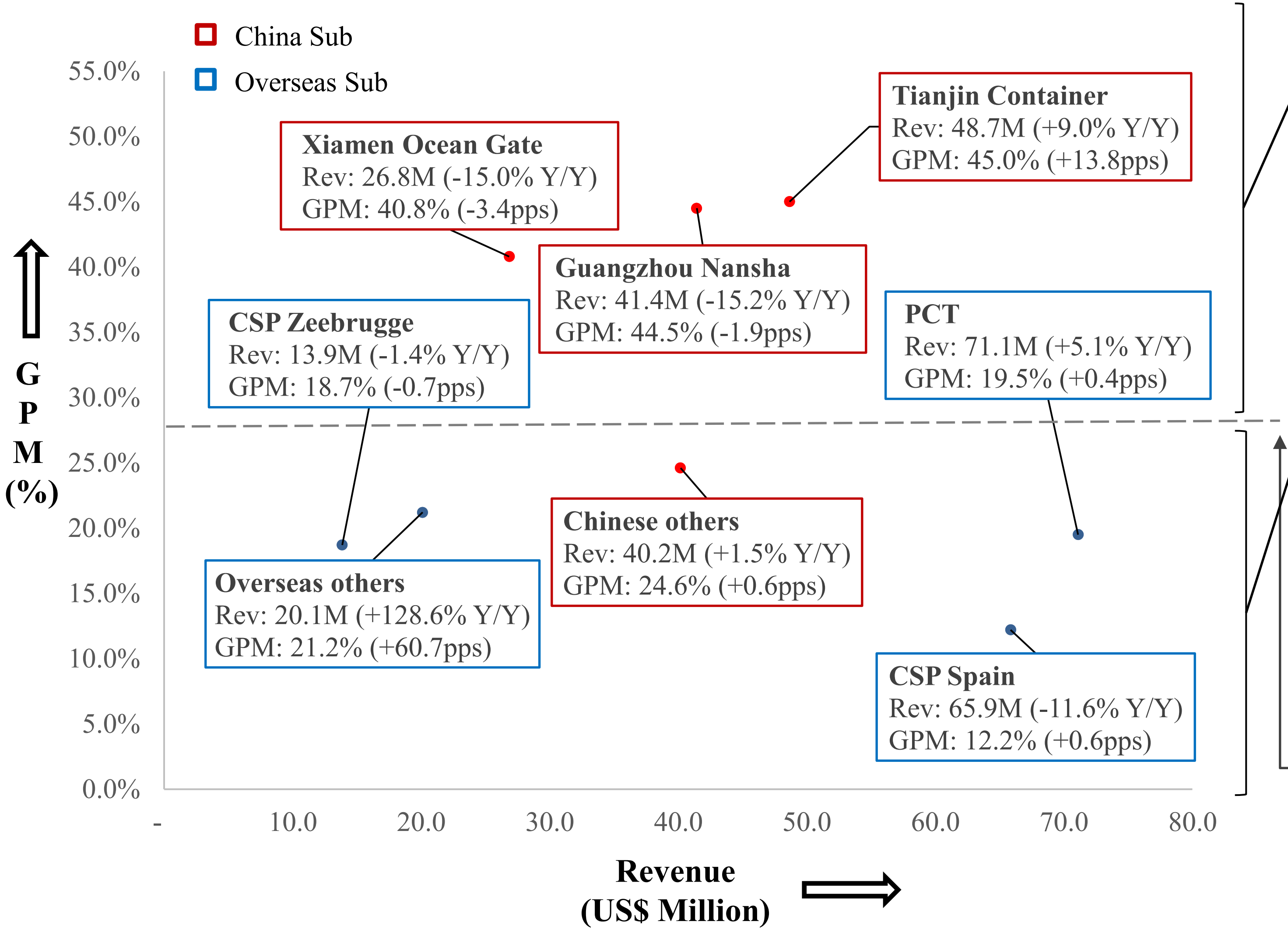
(1) In 1Q2023, in their local currency terms, average ASP of Chinese subsidiary terminals grew by 11.9% YoY and average ASP of European subsidiary terminals increased 17.6% YoY

(2) The Group made necessary adjustments on the cumulative effect of adopting HKAS 12 Amendment "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"; therefore, the profit attributable to equity holders of the Company in 1Q2022 was adjusted from US$74,948,000 to US$76,109,000.

1Q2023 Revenue and Gross Profit Margin

Successful Lean Operation Strategy Continue to Drive Growth at TCT and CSP Abu Dhabi Projects

1Q2023 Subsidiaries' revenue (US$ Million) and GPM (%)



- **Strong earnings contributors:**
  - GPM in China remained at a relatively high level at 38.9% in 1Q2023
  - Revenue and GPM at TCT increased 9.0% YoY and 13.8pps YoY, respectively. It was driven by higher ASP of 22.2% YoY and lower cost of 12.9% YoY
- **Growth potential players:** Lean operation management continues to boost the performance at subsidiary terminals in overseas, in particular CSP Abu Dhabi Terminal. Continuing to increase the utilization rate and efficiency will further improve the overall margin

	Revenue (US$ Million)	GPM (%)
China Sub:	**157.1 (-4.6% Y/Y)**	**38.9% (+2.4pps)**
Overseas Sub:	**170.9 (+3.6% Y/Y)**	**16.8% (+4.2pps)**
Total Sub:	**328.0 (-0.5% Y/Y)**	**27.4% (+2.9pps)**

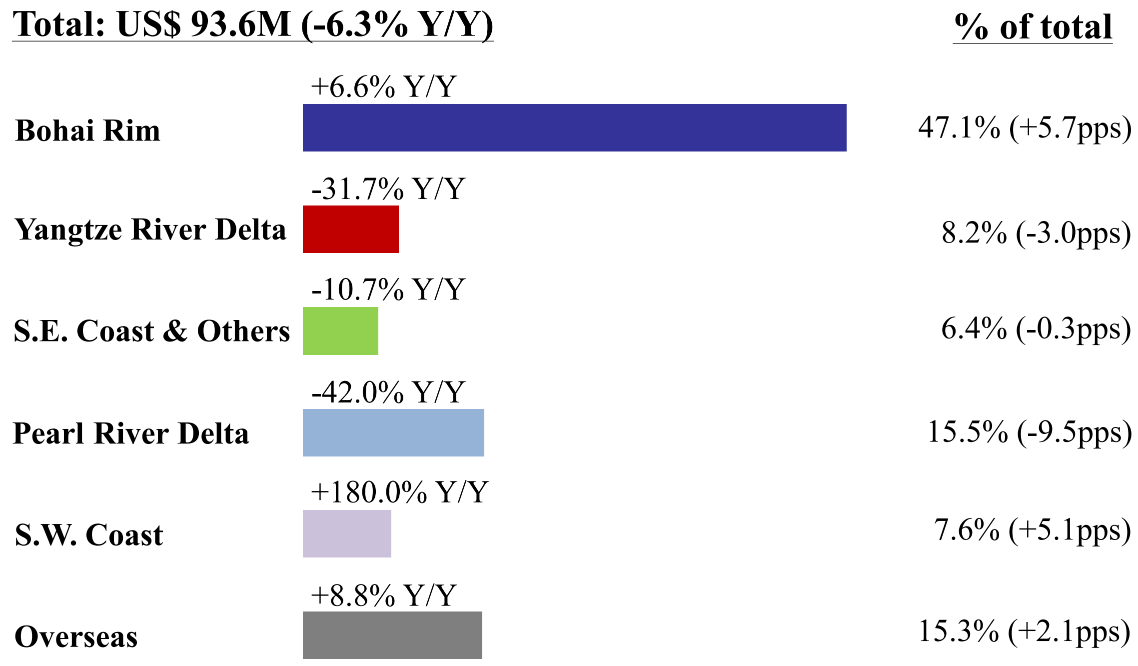
1Q2023 Terminal Profit

Better Profit Performance of Subsidiary Terminals

- **Terminal profit by regions:**
  - In 1Q2023, terminal profit in the S.W. Coast, the Bohai Rim and overseas regions recorded a YoY growth
  - Given global economic slowdown, some terminals more relying on foreign trade in regions of the YRD, S.E. Coast & others, and the PRD experienced declining throughput and profit

- **Terminal profit by subsidiaries/non-subsidiaries:**
  - Lean operation management increased overall profitability of subsidiary terminals
  - Faltering growth of major global economies resulted in lower profitability of our non-subsidiary terminals with significant foreign trade

1Q2023 Terminal profit by regions (US$ Million)



Subsidiary:	**USD 22.8M (+0.9% Y/Y)**	**24.4% (+1.7pps)**
Non-subsidiary:	**USD 70.8M (-8.4% Y/Y)**	**75.6% (-1.7pps)**

Top 10 terminal profit contributors (% of total)

Terminals (Subsidiaries in bold*)	1Q2022	Terminals (Subsidiaries in bold*)	1Q2023
QPI	34.5%	QPI	36.7%
Yantian	15.1%	Yantian	10.6%
***PCT**	**7.2%**	***PCT**	**7.5%**
***Xiamen Ocean Gate**	**6.2%**	***Xiamen Ocean Gate**	**6.0%**
***Guangzhou Nansha**	**5.6%**	***Tianjin Container Terminal**	**6.0%**
Shanghai Pudong	5.0%	Beibu Gulf Port	5.8%
Kumport	4.3%	Kumport	5.4%
Shanghai Mingdong	2.9%	***Guangzhou Nansha**	**5.2%**
***Tianjin Container Terminal**	**2.9%**	Shanghai Pudong	3.9%
COSCO-HIT	2.4%	Suez Canal	1.9%
	Total: 86.0%		**Total: 88.9%**

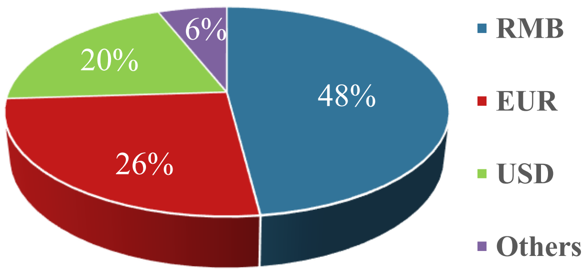
1Q2023 Financial Position

Healthy Financial Condition to Promote Sustainable Development

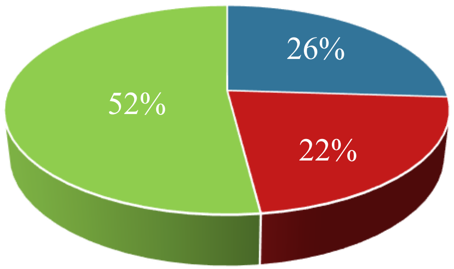
- Healthy cash and net gearing level enable us to continue to capture growth opportunities
- Total CAPEX budget in 2023 is approximately USD 1.4B, with investment and PP&E accounting for about 40% and 60%, respectively

(US$ Million)	As of 31 Dec 2022	As of 31 Mar 2023
Total assets	11,326.4	**11,564.8**
Total liabilities	4,687.2	**4,869.8**
Equity attributable to shareholders	5,532.0	**5,594.0**
Cash and bank balance	1,069.3	**893.7**
Total debt	2,908.6	**2,975.9**

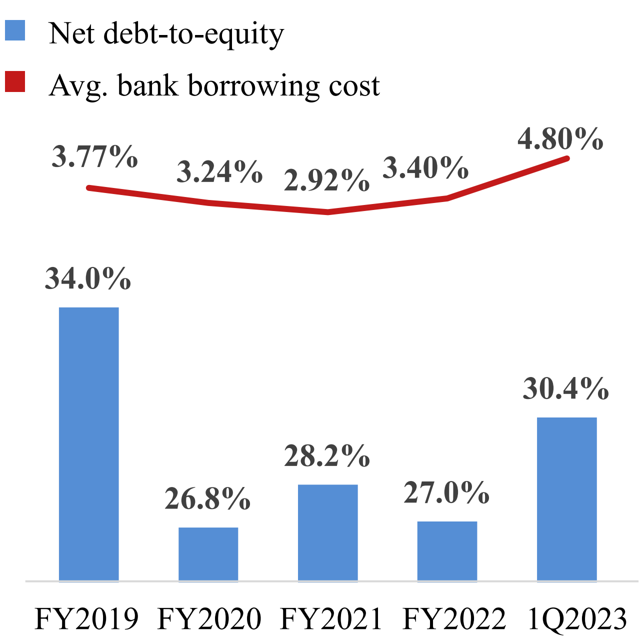
1Q2023 Cash and bank balance



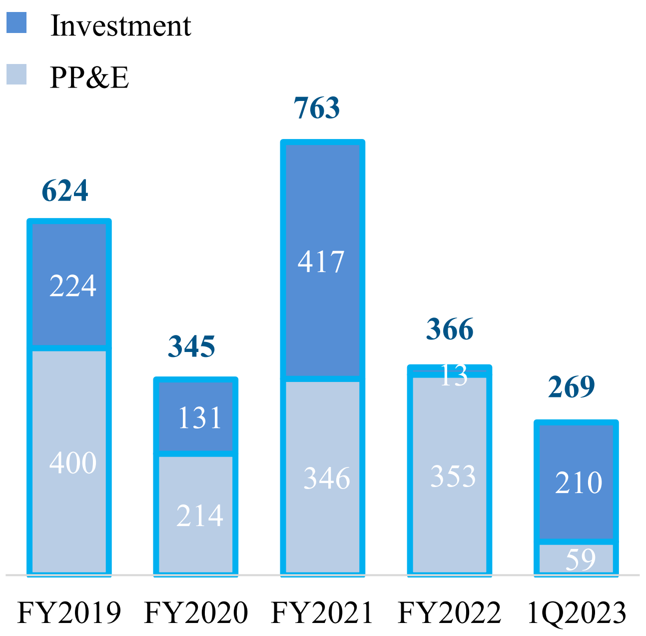
1Q2023 Total debt structure



Net debt-to-equity & average bank borrowing cost



Capex (US$ Million)



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3. Operational Review

Group's
Dual Brand

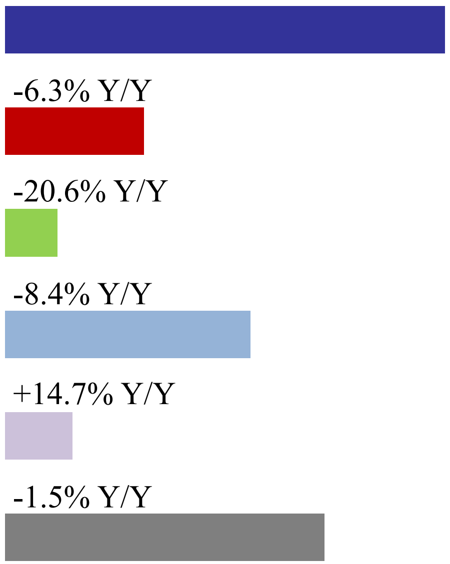
1Q2023 Throughput

Uneven Throughput Performance across Different Regions

- The regions of the Bohai Rim and Southwest Coast posted a growth of 10.6% YoY and 14.7% YoY, respectively, while the overseas region declined slightly by 1.5% YoY
- Despite throughput slide in the regions of the YRD, Southeast Coast & Others, and the PRD, it is expected that they will be benefited from the gradual recovery trend in domestic and foreign markets brought by new opportunities of the “Dual Circulation” strategy

1Q2023 Total throughput (Million TEU)

Total: 30.31M TEU (Flat Y/Y)

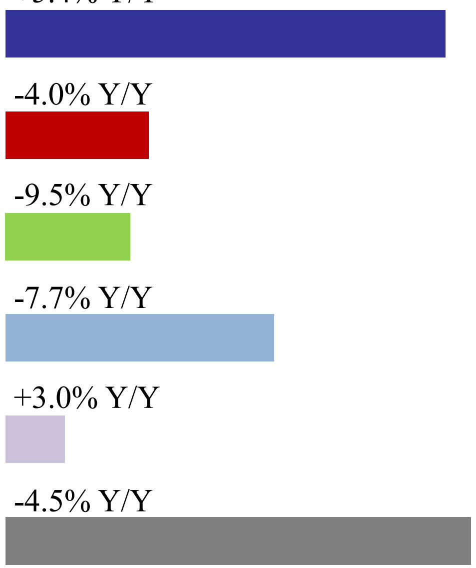


		% of total
Bohai Rim	+10.6% Y/Y	34.8% (+3.3pps)
Yangtze River Delta	-6.3% Y/Y	11.0% (-0.7pps)
S.E. Coast & Others	-20.6% Y/Y	4.2% (-1.1pps)
Pearl River Delta	-8.4% Y/Y	19.4% (-1.8pps)
S.W. Coast	+14.7% Y/Y	5.3% (+0.7pps)
Overseas	-1.5% Y/Y	25.3% (-0.4pps)

Subsidiary:	**6.65M TEU (-11.1% Y/Y)**	**22.0% (-2.7pps)**
Non-subsidiary:	**23.65M TEU (+3.7% Y/Y)**	**78.0% (+2.7pps)**

1Q2023 Equity throughput (Million TEU)

Total: 9.61M TEU (-2.5% Y/Y)



		% of total
Bohai Rim	+5.4% Y/Y	29.3% (+2.2pps)
Yangtze River Delta	-4.0% Y/Y	9.6% (-0.2pps)
S.E. Coast & Others	-9.5% Y/Y	8.3% (-0.6pps)
Pearl River Delta	-7.7% Y/Y	17.9% (-1.0pps)
S.W. Coast	+3.0% Y/Y	3.9% (+0.2pps)
Overseas	-4.5% Y/Y	31.0% (-0.6pps)

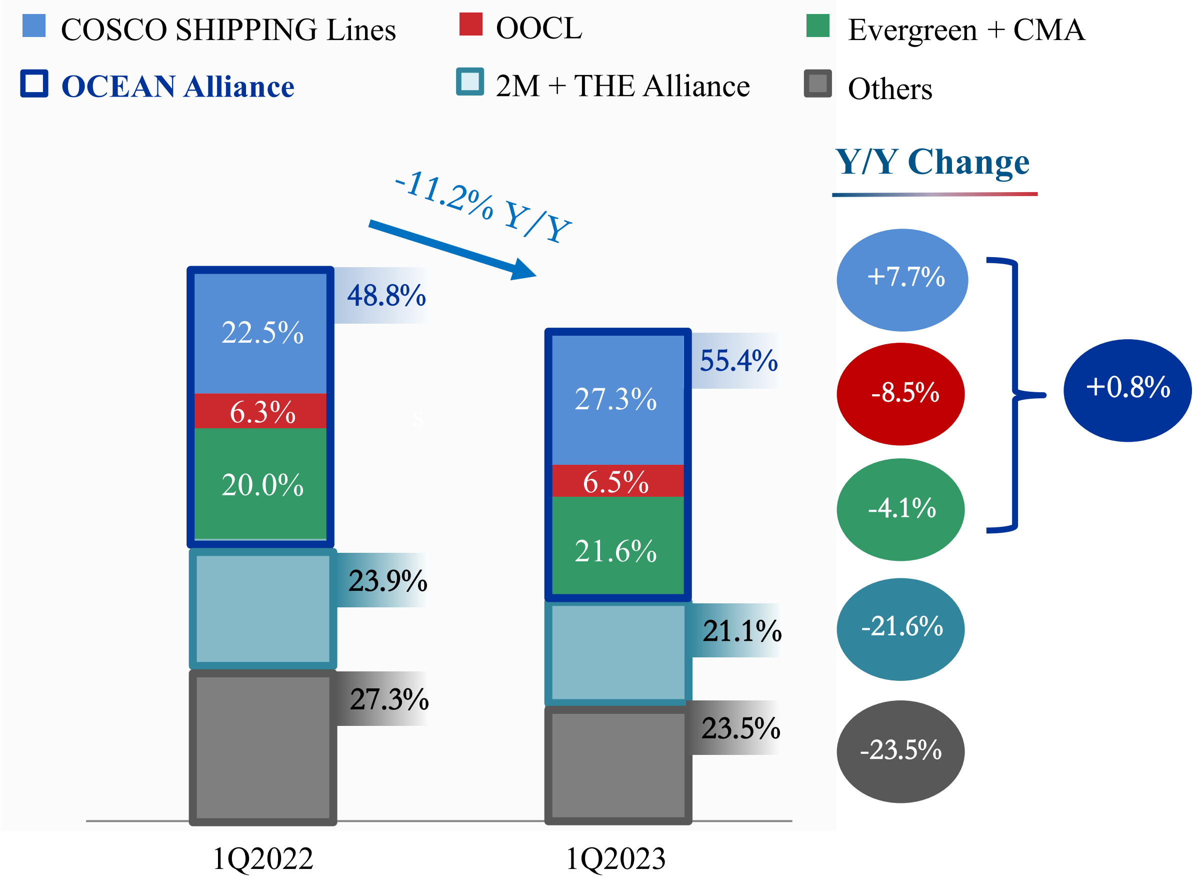
Subsidiary:	**4.07M TEU (-9.5% Y/Y)**	**42.4% (-3.3pps)**
Non-subsidiary:	**5.54M TEU (+3.3% Y/Y)**	**57.6% (+3.3pps)**

1Q2023 Market Development Strategy

Continuing to Increase ASP

➢ Continuing to make positive progress of introducing new shipping lines and increasing ASP

1Q2023 Customers as a percentage of total throughput (1)



Maintaining good relationships with shipping companies. Our Subsidiaries have made positive progress of new shipping lines and introduced **17 new shipping routes with about 386,000 TEU during 1Q2023**

In local currency terms, average ASP of Chinese subsidiary terminals grew by 11.9% YoY; average ASP of European subsidiary terminals increased about 17.6% YoY (2)

During 1Q2023, our main subsidiary terminals have already experienced a significant rise in ASP. We will continue to maintain high awareness of changes in the market and take advantage of opportunities to increase rates. Going forward, we will strive to increase ASP and improve efficiency

(1) Total throughput from 8 major subsidiary terminals at which all shipping companies call, including terminals of TCT, Guangzhou Nansha, Xiamen, Lianyungang, PCT, CSP Spain, CSP Zeebrugge and CSP Abu Dhabi.

(2) Subsidiary terminals in operation including TCT, Jinzhou, Lianyungang, Nantong, Xiamen, Quanzhou, Jinjiang, Guangzhou Nansha, PCT, CSP Spain and CSP Zeebrugge terminals on a comparable basis, excluding projects of CSP Abu Dhabi, CSP Wuhan, Guinea and Peru Chancay terminals.

Technological Innovation

Continuing the Construction of Smart Ports to Facilitate Lean Operations Management

CSP Abu Dhabi Terminal

Xiamen Ocean Gate Terminal

Tianjin Container Terminal

- Expanding the implementation of **5G smart ports**, deploying autonomous container truck systems at Xiamen Terminal and CSP Abu Dhabi Terminal
- Completing the project of **automation upgrade** at TCT
- Promoting and implementing the experience of **5G smart ports** construction at Wuhan Terminal

Further enhancing terminals' IT infrastructure through the participation of **GSBN** and application of blockchain technology

- Launching CSP Portal for GSBN at 8 subsidiary terminals, promoting an innovative alternative to the traditional workflow of the industry

- Enhancing the construction of **EAM system**, in order to effectively manage equipment procurement and maintenance costs. The EAM system was launched and put into operation in all domestic subsidiary terminals and CSP Abu Dhabi Terminal
- Achieving progress in upgrading ports with digital transformation proceeding apace. The **MIS system** has connected the TOS data and SAP data of all subsidiary terminals to improve operation management

New Sources of Growth

Accelerating the Development of Supply Chain Projects and Value-Added Products

Supply chain projects

CSP Abu Dhabi CFS Phase 1

CSP Zeebrugge CFS

	Total area (sqm)	Warehouse area (sqm)	Capex (Million)	Commissioning timeline
CSP Abu Dhabi CFS Phase 1 [1]	273,970	50,666	64 USD	Now operating
CSP Zeebrugge CFS	77,869	41,580	13 EUR	Now operating
Xiamen Haicang CFS	23,800	20,000	135 RMB	2023 Expected

(1) The total warehouse area and estimated capex of phase 1 and 2 is about 105,225 sqm and approximately USD 138M.

EV Business

- In 1Q2023, China's exports of electric vehicles surged more than double YoY. High-tech, value-added products and products driving green transformation have become new engines for China's export growth. Our subsidiaries such as CSP Zeebrugge, Xiamen Ocean Gate and CSP Abu Dhabi CFS captured the opportunities of EV export, generating new sources of revenue and profit growth

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4. Strategy & Outlook

5G Smart Ports

Strategy

Global Terminal Network and Lean Operations Management

Capitalizing on global economic growth to optimize terminal portfolio

- Continuing to develop a global terminals portfolio by identifying potential projects in emerging markets and port resources consolidation in China
- Diversifying a balanced network between strategic subsidiaries and highly-profitable non-subsidiaries as well as green-field and brown-field projects
- Disposing terminals with lower strategic value to enhance enterprise value

Further implementing lean operations management to boost quality and efficiency

- 3 keys to success in lean operations management:
  - Revenue expansion – capitalizing on global network and switching from single terminal service to network marketing to provide shipping companies with cost-effective and efficient services in order to increase our bargaining power. Actively collaborating with other ports operators to raise throughput and improve overall efficiency
  - Cost reduction – focusing on financial control and featuring "cost per TEU" to enhance terminal operations and management
  - Headquarters' empowerment – setting up COE team to closely monitor, enhance and evaluate port operations and management efficiency

Outlook

Challenges

- Weakening global economic growth with ongoing destocking
- Increasing risks of geopolitical conflict
- Further interest rate hike and continued USD appreciation

Opportunities

- RCEP and emerging markets opportunities
- Growth driven by 'Dual Circulation' in China with both growing exports and an emphasis on expanded domestic demand
- Long term opportunities for overseas terminals development as well as for domestic ports consolidation

- Further strengthening the performance of our strategic subsidiary terminals and continuing to enhance the global ports network and to optimize our terminal portfolio, especially increasing the exposure of Southeast Asia, the Middle East, Africa and South America
- Strong relationships and bargaining power with shipping companies on the back of our successful sales and marketing management
- Good prospect on the back of our successful lean operations management to improve asset quality and profitability of subsidiary terminals

Expecting our equity throughput volume growth will be in line with the industry average in 2023

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5. Q&A

Global Supply Chain Network

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6. Appendix

ESG & Sustainability

CDP
DISCLOSURE INSIGHT ACTION

SUSTAINABLE DEVELOPMENT GOALS

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS

Pledge to Reach Carbon Neutrality at Subsidiary Level

Enhancing Energy Use Efficiency to Reduce Emissions and Combat Climate Change

GHG Emissions

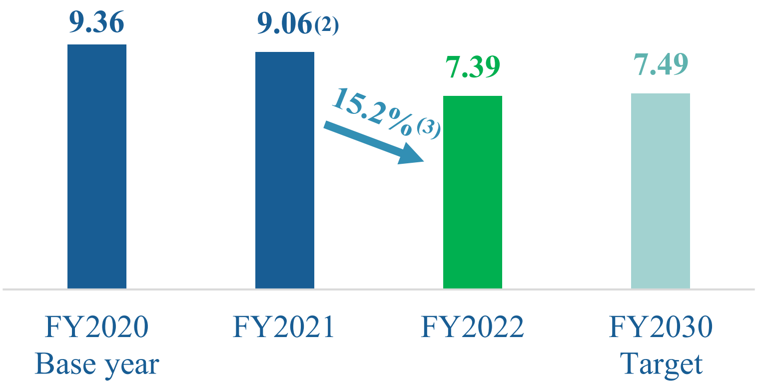
Long-term commitment:

- To achieve carbon neutrality no later than 2060

Short-term target:

- To reduce greenhouse gas (scope 1 and scope 2) emission intensity of our Subsidiaries by 20% in 2030, as compared with 2020

Subsidiaries' GHG emission intensity [1]:
(kg of CO_2e per TEU)

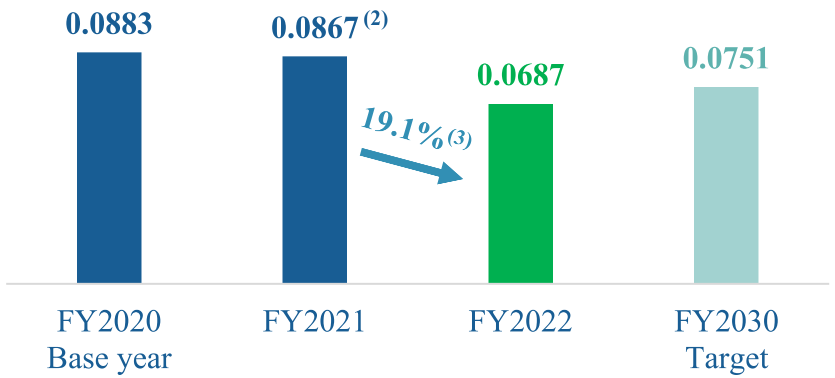


Energy Consumption

Short-term target:

- To reduce energy consumption intensity of our subsidiaries by 15% in 2030, as compared with 2020

Subsidiaries' energy consumption intensity [1]:
(GJ per TEU)



(1) Among the existing 15 Subsidiaries of the Company, Chancay Terminal in Peru is under construction and the acquisition of Tianjin Container Terminal was completed in December 2021, therefore their environmental performance was not included in the Subsidiaries' performance for 2020 and 2021. Tianjin Container Terminal became the Company's subsidiary since December 2021; therefore its environmental performance was included in the Subsidiaries' performance for 2022.

(2) Figures were restated after data review.

(3) The environmental performance data shown in the graph are rounded off, while the corresponding percentage changes are derived from unrounded figures.

Enhancing Water and Waste Management at Subsidiary Level

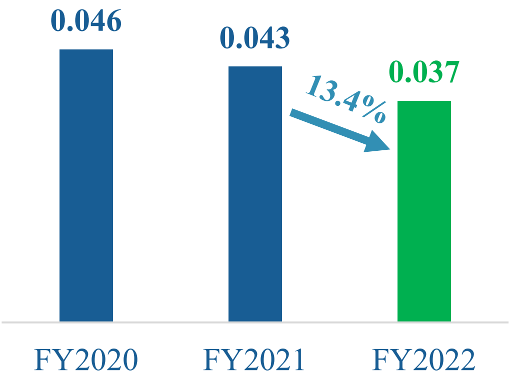
Contributing to Ecological and Environmental Protection

Water Consumption

Target:

- To enhance the management of water resources and improve water use efficiency

Subsidiaries' water consumption intensity [1]:
(m³ per TEU)



Waste

Target for hazardous waste:

- To maintain 100% hazard-free disposal of waste

Target for non-hazardous waste:

- To reduce domestic waste by terminals and, in the long term, achieve the goal of zero waste sent to the landfill

FY2022 Subsidiaries' hazardous waste treatment [1]:

- 100% of hazardous waste was handled by recycling companies or material suppliers with professional qualifications

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